

# Purchasing Managers Index of Puerto Rico Manufacturing

## August 2016

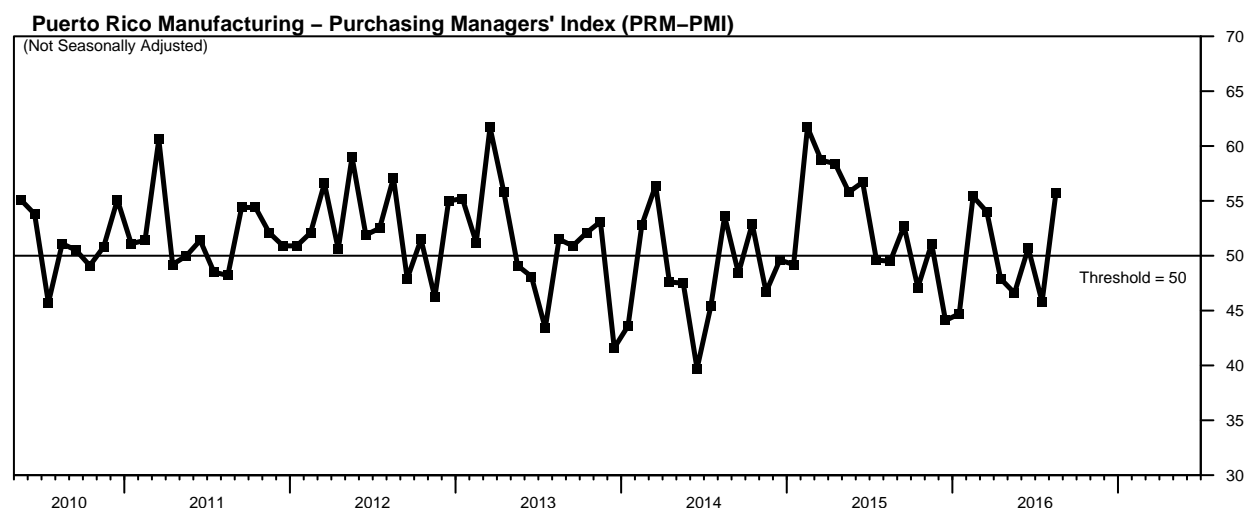
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<http://www.estadisticas.pr/iepr/Publicaciones/Encuestas/ManufacturaPMI.aspx>

### PUERTO RICO MANUFACTURING PMI JUMPED UP TO 55.7 IN AUGUST

On a Non-Seasonally Adjusted (NSA) basis, the Purchasing Managers Index (PMI) for Puerto Rico's manufacturing sector increased to 55.7 in August, moving above the threshold level of 50. A reading above the threshold level of 50 suggests an expansion in the manufacturing sector with respect to the previous month. All of the sub-indexes were at or above the threshold level, except for the Suppliers Deliveries sub-index. The New Orders and Production sub-indexes posted their largest month-to-month increase since the survey began. The Own Inventories sub-index edged down to 53.6, but remained above the threshold level for the fourth consecutive month. The Puerto Rico Manufacturing-Purchasing Managers Index (PRM-PMI) has been at or above the threshold level in 48 of the 76 months since the survey was first undertaken. The PRM-PMI is currently available only on a Non-Seasonally Adjusted (NSA) basis which means that seasonal fluctuations can affect its performance.



**Table 1. Puerto Rico Manufacturing – Purchasing Managers' Index (NSA): August 2016**

	Better	Same	Worse	PMI		
Órdenes nuevas	39.3	53.6	7.1	66.1	Higher	New orders
Producción	35.7	50	14.3	60.7	Higher	Production
Empleo	25	64.3	10.7	57.1	Higher	Employment
Entregas de suplidores	7.1	67.9	25	41.1	Faster	Supplier deliveries
Inventarios de su empresa	25	57.1	17.9	53.6	Higher	Own inventories

**Puerto Rico Manufacturing – Purchasing Managers Index (NSA) 55.7 Expansion**

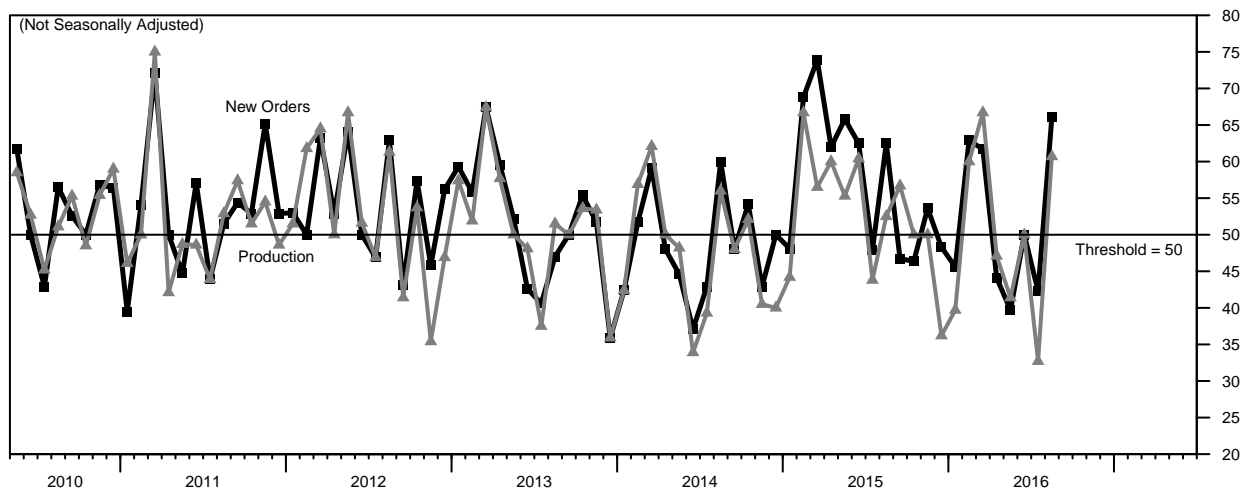
Note: Not Seasonally Adjusted (NSA)

## New Orders

In August, the New Orders PMI (NSA) vaulted over the threshold level reaching 66.1. A reading above 50 indicates that on a Non-Seasonally Adjusted (NSA) basis, new orders at manufacturing establishments in August were higher than in July.

## Production

The Production PMI (NSA) skyrocketed over the threshold level to 60.7, after reaching its lowest point ever in July. A reading above 50 indicates that on a Non-Seasonally Adjusted (NSA) basis, manufacturing production in August was higher than in July.

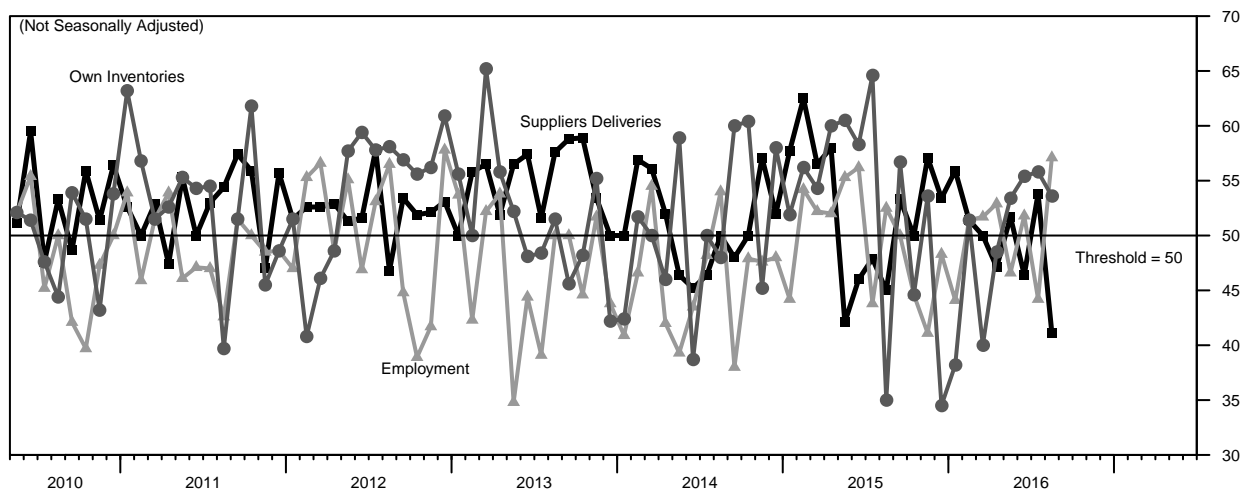


## Employment

In August, the Employment PMI (NSA) climbed above the threshold level, reaching 57.1. A reading above 50 indicates that on a Non-Seasonally Adjusted (NSA) basis, manufacturing employment in August was higher than in July.

## Supplier Deliveries

The Supplier Deliveries PMI (NSA) fell below the threshold level to 41.1. A reading below 50 indicates that on a Non-Seasonally Adjusted (NSA) basis, the speed of supply deliveries in August was faster than in July, suggesting a lower demand for intermediate goods.



## Own Inventories

In August, the Own Inventories PMI (NSA) edged down to 53.6, but remained above the threshold level for the fourth consecutive month. A reading above 50 indicates that on a Non-Seasonally Adjusted (NSA) basis, inventories in manufacturing establishments in August were higher than in July.

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### Methodological note

The Puerto Rico Manufacturing-Purchasing Managers Index (PRM-PMI) is the result of a collaborative project between the Puerto Rico Manufacturers Association and the Puerto Rico Institute of Statistics. The PRM-PMI measures short-run business conditions in Puerto Rico's manufacturing sector, and provides a broad-based metric for the productive side of Puerto Rico's economy. It is currently in a testing phase to ensure a reliable methodology. The methodology is similar to PMI surveys conducted elsewhere. The survey questionnaire is available at <http://www.estadisticas.pr/iepr/Publicaciones/Encuestas/ManufacturaPMI.aspx>. The participants include manufacturing establishments with 50 or more employees with membership in the Puerto Rico Manufacturers Association. Currently, results are presented on a Non-Seasonally Adjusted (NSA) basis. In the future, with sufficient data points, a seasonally adjusted version of the PRM-PMI will be prepared, which will smooth away the influence of seasonal fluctuations.

The PRM-PMI is calculated as the simple average of 5 sub-indexes, representing different business conditions in manufacturing establishments: New Orders PMI, Production PMI, Employment PMI, Supplier Deliveries PMI, Own Inventories PMI. The sub-indexes are computed using a diffusion index methodology. In specific, for any given month with respect to the previous month, participants are asked to answer whether the business condition of the establishment: (1) improved, (2) remained the same, or (3) deteriorated. Diffusion indexes are calculated as the percentage of responses that indicate the business condition improved plus half of the percentage of responses that indicate the business condition remained the same. The survey also includes questions on other business conditions. The diffusion indexes that correspond to these questions are currently under evaluation.

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### To obtain a copy of this report

(1) visit <http://www.estadisticas.pr/iepr/Publicaciones/Encuestas/ManufacturaPMI.aspx>, (2) email your request to [preguntas@estadisticas.pr](mailto:preguntas@estadisticas.pr), (3) call (787) 993-3336, (4) fax your request to (787) 993-3346, (5) mail your request to the Puerto Rico Institute of Statistics, P.O. Box 195484, San Juan, PR 00919, or (6) visit the offices of the Puerto Rico Institute of Statistics at 57 Quisqueya St., Suite 2000, San Juan, PR 00917, between the hours of 8:00 a.m. and 5:30 p.m. The report is available on paper and in the following electronic formats: pdf and Microsoft Excel. The report is free.

### Publication calendar

The monthly PRM-PMI report is published at 10:00 a.m. on the first business day of the month. In specific, the table below shows the expected publication dates of the PRM-PMI report during calendar year 2016:

Reference month	Publication date
Nov-15	January 4, 2016
Dec-15	February 1, 2016
Jan-16	March 1, 2016
Feb-16	April 1, 2016
Mar-16	May 2, 2016
Apr-16	June 1, 2016

Reference month	Publication date
May-16	July 1, 2016
Jun-16	August 1, 2016
Jul-16	September 1, 2016
Aug-16	October 3, 2016
Sep-16	November 1, 2016
Oct-16	December 1, 2016